GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:133
ANSWERED ON:03.08.2010
WORKING OF NAFED
Biju Shri P. K.

Will the Minister of AGRICULTURE be pleased to state:

(a) whether certain shortcomings/disputes have been reported in the working of the National Agricultural Cooperative Marketing Federation of India (NAFED);

(b) if so, the details thereof;

(c) whether any statutory inquiry has been conducted in the affairs of NAFED;

(d) if so, the outcome thereof and action taken against errant officials; and

(e) the steps taken by the Government to resolve the disputes?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 133 DUE FOR REPLY ON 3RD AUGUST, 2010.

(a) to (e): Taking cognizance of the statutory auditors report of NAFED for the year ending 2007 on the unsecured tie up overdue of Rs.57976.00 lakhs, the Central Registrar of Cooperative Societies (CRCS) has ordered for an enquiry under sub-section (1) of section 83 of the Multi State Cooperative Societies Act, 2002 to enquire into the conduct of members of Board of Directors of NAFED, its office bearers and officers of NAFED in the tie-up business undertaken by NAFED. Based on the enquiry Committee Report, the CRCS has issued a notice to 29 officers/ex-officers including the then Directors/Members of Business Committee of NAFED for causing deficiency in the assets of NAFED. Besides, NAFED has also initiated Departmental enquiry against six of its officers, filed criminal cases before Economic Offence Wing of Delhi Police against five tie-up defaulters, seven cases before CBI against 6 parties, three Civil Suits for recovery of dues against two parties, 168 cases under Section 138 of Negotiable Instruments Act for dishonour of cheques and 29 arbitration cases.

Further, in furtherance to a direction by High Court, Delhi in a matter before it in respect of tie- up business of NAFED, a committee has been constituted under the Chairmanship of Additional Secretary, Department of Agriculture & Cooperation, consisting MD, NAFED, Principal Director of Audit, office of Comptroller & Auditor General of India (CAG) and Director (Finance), Department of Agriculture & Cooperation to study the cases of tie-up business of NAFED and give recommendations on the structural and systematic improvements in the working of NAFED to ensure that such cases of default do not recur in future.